

CIA HISTORICAL REVIEW PROGRAM
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SECRET - FRODO BILBO BAGGINS

2003

1954

SECRET

Office of Staff, Central Intelligence Agency, Washington, D.C.

Confidential

Security Information - Excluded

1. In view of the dubious security of our local operations and in order to strengthen this security, I have taken or am taking the following steps:

A. ESSENCE-RAZMARA As is known and previously reported, ESSENCE and RAZMARA long met at the latter's apartment which is located in a building having multiple entrances and which, for that reason and since the building has many apartments, offered some security protection. However, it is known that this building is now under fairly close watch and continued meetings there were bound to become dangerous. For that reason, I have long considered and planned other and better ways for RAZMARA to contact ESSENCE. Moreover, on 29 April 1954 an official note was delivered to ESSENCE's home by the police advising that he should present himself to the authorities. In view of this and since we had long attempted to get ESSENCE to go underground -- without success -- it was decided that he should not present himself to the police but this time would obey our instructions and definitely bury himself. We do not know how serious is the police summons but ESSENCE suspects that Maria HERNANDEZ Chin-chilla, the woman arrested in Puerto Barrios in connection with the "33" campaign, may have implicated him and that the police would hold him indefinitely.

Accordingly, ESSENCE is now hiding out temporarily in the homes of friends and relatives and is meeting RAZMARA at night at predetermined places. To get to these meeting places, ESSENCE is using the automobiles of friends while, through ESPERANCE and ESPERANCE-1, we have rented an automobile for RAZMARA.

It is obvious that this is but a temporary expedient. Therefore, we have arranged for the following:

- 1) ESSENCE will be furnished a safe house at Lake Amatitlan within the course of the next few days;
- 2) ESSENCE will purchase a new car to replace the vehicle which the police seized and subsequently released. He will arrange for sale of his present vehicle as soon as it has "cooled down" and the sale price of this car will be returned to this Station;
- 3) ESSENCE has one fairly safe house at present in the city and will

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- soon obtain another;
- 4) RAZUARA will be furnished a sterile car to replace the rented vehicle he is now using. This car is being purchased through a company -- existing only on paper -- which we have floated.
 - 5) RAZUARA will have access to a safe house at Lake Amatitlan and by use of boats, etc. he will be able to establish safe contact with BURNETTE when prolonged meetings are necessary. The meetings in the city will be made either at a safe house or by vehicle at predetermined places.

B. VAIVADA-ESCROW: During the time VAIVADA handled ESCROW they met in what is believed was a secure manner and there seems to be no reason to believe that ESCROW is compromised. As a result of the probability of VAIVADA's compromise, as indicated by [] 1203, and since VAIVADA had reported a feeling that all was not well and that he seemed under a light surveillance, I decided it best for him to leave the country, not only for his own protection but also to prevent the possibility of a flap which would cause incalculable damage at this time. VAIVADA, as per GUAT 444, departed for Costa Rica on 1 May with instructions to contact DEBANOW upon arrival and to check as to the probable damage done to his cover in this country. His family is still here pending the results of this check.

Even though BURNETTE reports that in all his contacts with VAIVADA there were no indications of any surveillances; nevertheless, it is my opinion that it would be preferable for VAIVADA not to return to this country*there does exist a definite possibility that he may be compromised and the arrest of an American career agent would cause more damage than the retaining of what has proven to be only a relatively valuable operation.

C. Since this station is facing serious operational difficulties because of increased police activity, I am giving special attention to the obtaining of a safe house and for implementing other measures tending to make our operations more secure. Accordingly, BURNETTE has made an arrangement with VAIVADA's wife and sister-in-law who, incidentally, are well aware of VAIVADA's activities, so that they will carry out their previous intention of moving within the next two or three days from where they are presently staying. As soon as this is done and it is evident that this move has not aroused any particular attention on the part of the authorities or others, it is my intention to have them [] to Costa Rica while leaving word with their landlord that family sickness forces them to [] to Costa Rica but that they wish to retain their apartment and that this will be occupied temporarily by unidentified friends. They will also leave a three or four month rental deposit which should be sufficient to allay suspicions. Since VAIVADA has purchased some furniture locally and since this furniture will be needed for this new apartment or safe house, it is my intention to buy this from Mrs. VAIVADA at cost and it will then become station property to be used for operational purposes.

D. ESPERANCE, as previously reported in HGG-A-1015, encountered certain difficulties on his recent trip to Jutiapa. It is believed, however, that these difficulties were successfully overcome and that he is not regarded with suspicion. In line with our need for HSI data, ESPERANCE has been traveling extensively by jeep and passenger car, both of which belong to him. It is believed that this arrangement is favorable for the time being.

E. Through ESPERANCE I arranged for the printing of 250 cards of the non-existent Weaver Lumber Company and ESPERANCE-1, by presenting one of these cards which always bears considerable weight locally, has been able to rent under a fake name the automobile which RAZMARA is currently using. This car was turned over to ESPERANCE by ESPERANCE-1 and was subsequently turned over to RAZMARA in a secure manner. I talked the matter over with PAGE and he agreed to the necessity of purchasing another vehicle, which can be done in the name of this non-existent Weaver Lumber Company. At the time the original purchase was made, it appeared likely that the automobile in question would be needed for the King Program and therefore PAGE authorized that this vehicle be purchased with funds allotted to that program. It now turns out that the vehicle *PR.0104* will not be needed for the King Program but will be made available to RAZMARA.

F. ESPERANCE has also rented in a phoney name a cottage on Lake Amatitlan. Still another cottage is being rented by BANNISTER in his own name and in that of BURNETTE and TRANLER.

Eventually we hope to have approximately 4 or 5 cottages on Lake Amatitlan since the surroundings and cover of this lake are such that surveillance of individuals going to some cottage and then taking off in a boat is extraordinarily difficult if not impossible. The use of these cottages and of boats, which are readily available and generally included in the rental of cottages, will give us non-suspicious and highly effective means for establishing contact and of eluding surveillances.

G. In addition to the cottages on Lake Amatitlan, we are also faced with the necessity of obtaining safe houses in this city. As previously mentioned, the VAIVADA residence will eventually become a safe house if such an arrangement proves to be effective. If not, the VAIVADA furniture will be purchased in an innocuous manner and will then be used to furnish some other place not identified with the VAIVADAS. VAIVADA's car will be sold in an apparently normal manner with arrangements being made so that in reality it will become an operational car. We may finagle the sale of this and of the other car which we have purchased so that we can [We are studying the matter but it seems that this can be done quite readily.

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2. I realize that I do not have authorization to ~~grant~~ ^{grant} a series of places as I am doing. I only have authorization for one safe house at the lake and one in the city. However, it is clearly apparent that such is not sufficient and I believe that the steps which I am taking are necessary and fundamental to the success of the operations which we are endeavoring to carry out. I have not had the opportunity to clear all such steps with HICOLE prior to taking them and I believe that as the pace gets faster and as our difficulties increase, as they are almost certain to do, I may be forced to take other and similar measures. I would appreciate your comments and approval on this matter.
 3. As soon as possible I shall advise as to the amounts expended in each case and give explanations why these funds are so expended. You may be assured that all expenditures are documented in as far as possible and that we shall expend no funds or engage any safe houses or other facilities unless this is a matter of urgent necessity.

[_____]
Earle N. Sannister

3 May 1954

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